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GOVERNOR

STATE OF MICHIGAN  
OFFICE OF FINANCIAL AND INSURANCE REGULATION  
DEPARTMENT OF ENERGY, LABOR & ECONOMIC GROWTH  
STANLEY "SKIP" PRUSS, DIRECTOR

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COMMISSIONER

## BILL ANALYSIS

**BILL NUMBER:** SB 744 (S-1)  
**TOPIC:** Genetic Information Limitations in Medicare Supplement  
**SPONSOR:** Senator Sanborn  
**CO-SPONSORS:** None  
**COMMITTEE:** Committee on Insurance  
**Analysis Done:** October 13, 2009

### POSITION

The Office of Financial and Insurance Regulation (OFIR) supports this legislation.

### PROBLEM/BACKGROUND

The Genetic Information Nondiscrimination Act of 2008 (GINA) was enacted on May 21, 2008. The federal government requires states to adopt the GINA language in order to continue regulation of the Medicare supplement line of insurance.

### DESCRIPTION OF BILL

Senate Bill 744 amends the Insurance Code by adding section 3829a. Senate Bill 744 prohibits the denial, conditioning, or discrimination in the pricing of a Medicare supplement policy on the basis of genetic information. The bill also limits the ability of Medicare supplement issuers to request or require genetic testing, and prohibits the collection of genetic information for underwriting purposes or other purposes prior to enrollment.

### SUMMARY OF ARGUMENTS

#### **Pro**

Michigan will become compliant with federal law if the GINA language is adopted. If the GINA language is not enacted, Michigan will cede its regulatory authority of Medicare supplement insurance to the federal government.

#### **Con**

None

## FISCAL/ECONOMIC IMACT

OFIR has identified the following revenue or budgetary implications in the bill:

- (a) To the Office of Financial and Insurance Regulation:

Budgetary: None

Revenue: None

- (b) To the Department of Energy, Labor & Economic Growth:

Budgetary: None

Revenue: None

- (c) To the State of Michigan:

Budgetary: None

Revenue: None

- (d) To Local Governments within the State:

Budgetary: None

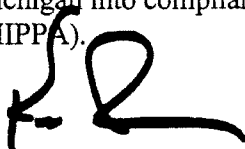
Revenue: None

## OTHER STATE DEPARTMENTS

None

## ANY OTHER PERTINENT INFORMATION

July 1, 2009, was the deadline for states to implement the GINA language. A similar bill, HB 5234 was passed by the House on September 15, 2009, with 105-yea votes and 1-nay vote. A companion bill has been introduced in the Senate to revise Chapter 38, SB 743. This chapter regulates Medicare supplement policies sold in Michigan. Adoption of SB 743 will bring Michigan into compliance with the Medicare Improvements for Patients and Providers Act (MIPPA).

  
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Ken Ross  
Commissioner

10-13-09  
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Date